Federal Trade Commission
Protecting America's Consumers

For Release: January 30, 2007

Adult Entertainment Marketer Settles FTC Charges

Will Pay $465,000 For Violating Spam Law

An Internet marketer of adult entertainment will pay a $465,000 civil penalty under a settlement reached with the Federal Trade Commission and the Department of Justice, which charged the company with initiating sexually explicit commercial e-mails. The action is part of an FTC crackdown on illegal "X-rated" spam announced in July 2005, when seven companies were charged with violating federal laws requiring warning labels on sexually explicit e-mail. Settlements with five of the operations have resulted in civil penalties totaling $1.624 million. The FTC's Adult Labeling Rule and the CAN-SPAM Act require commercial e-mailers of sexually explicit material to use the phrase "SEXUALLY EXPLICIT:" in the subject line, and to ensure that the initially viewable area of the message does not contain graphic sexual images. The Rule and the Act also require that unsolicited commercial e-mail contain an opportunity for consumers to opt out of receiving future e-mail and provide a postal address.

Under the proposed settlement, TJ Web Productions, LLC, is permanently prohibited from violating the FTC's Adult Labeling Rule. The company also is permanently prohibited from violating the CAN-SPAM Act by initiating commercial e-mail without clearly and conspicuously displaying a physical postal address and a functioning return e-mail address or other Internet-based mechanism, so that recipients may decline to receive any more such e-mail. Although TJ Web Productions did not send the e-mail directly to consumers, the Nevada-based company operated an "affiliate marketing" program and induced others, by monetary payments and other considerations, to transmit commercial e-mail messages on its behalf.

The proposed settlement also requires TJ Web Productions to obtain agreement from prospective affiliates to comply with the terms of the court order, and to inform the company that violations will result in immediate termination from its affiliate program and forfeiture of payments.

The Commission vote to authorize staff to execute and the Department of Justice to file the proposed stipulated final order was 5-0. The order was filed in the U.S. District Court for the District of Nevada.

NOTE: This stipulated final order is for settlement purposes only and does not constitute an admission by the defendant of a law violation. A stipulated final order requires approval by the court and has the force of law when signed by the judge.

Copies of the stipulated final order are available from the FTC's Web site at http://www.ftc.gov and also from the FTC's Consumer Response Center, Room 130, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. The FTC works for the consumer to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. To file a complaint in English or Spanish, or to get free information on any of 150 consumer topics, call toll-free, 1-877-FTC-HELP (1-877-382-4357), or use the complaint form at http://www.ftc.gov/ftc/complaint.shtm. The FTC enters Internet, telemarketing, identity theft, and other fraud-related complaints into Consumer Sentinel, a secure, online database available to more than 1,600 civil and criminal law enforcement agencies in the U.S. and abroad.

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Related Documents:
United States of America (for the Federal Trade Commission), Plaintiff, v. TJ Web Productions, LLC, a Nevada Limited Liability Company, Defendant., United States District Court, District of Nevada; Civil Action No: CV-S-05-0882-RLH-GWF; FTC File No.: 052-3047; X050062